



FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20463

March 31, 2004

RQ-2

Katherine Moret, Treasurer  
Democratic State Central Committee  
of CA - Federal  
1401 21<sup>st</sup> Street #100  
Sacramento, CA 95814

**Response Due Date:**  
**April 30, 2004**

Identification Number: C00105668

Reference: February Monthly Report (1/1/04-1/31/04)

Dear Ms. Moret:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Schedule A supporting Line 12 of your report discloses a receipt from the Democratic National Committee with the purpose "Unitemized Contributions \$18,714.12." If this is a receipt from a joint fundraising committee please amend your report to clearly identify which joint fundraising committee this entry relates to and be advised that a memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser. The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and provide the amount of unitemized contributions received.

-Your report does not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a

## DEMOCRATIC STATE CENTRAL COMMITTEE OF CA -- FEDERAL

Page 2

given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

-The Detailed Summary Page, on Line 18(a) Column A of your report, discloses \$51,576.95 in transfers from the non-federal account for allocated activity for the reporting period. However, Line 21 (a)(ii) Column A discloses \$40,428.45 as the non-federal share for allocated activity for the reporting period. While the non-federal account is permitted to transfer funds to the federal account for allocated activity, transfers for allocated activity must be made within a 70-day time period: no more than 10 days before or 60 days after the payment to the vendor. 11 CFR §§106.6(e)(2) and 106.7(f)(2) Please clarify the nature of the transfers-in from the non-federal account.

The Commission recommends that you immediately transfer back to the non-federal account, the total excessive amount which was received by your federal account outside the 70-day time period. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Your report does not include a Schedule H1 to disclose the ratio for the allocation of certain costs. Schedule H1 must be filed with the first report each year for State, District and Local party committees, and with the first report filed in the two-year election cycle for Separate Segregated Funds and Non-connected committees. For State, District and Local party committees, all shared administrative, generic voter drive and exempt activity costs incurred during the two-year cycle must be allocated according to this ratio, unless the federal account elects to pay a higher percentage of its cost. For Separate Segregated Funds and Non-connected committees, all shared administrative and generic voter drive costs must be allocated according to this ratio unless the federal account elects to pay a higher cost. 11 CFR §106.7(d)(2), (d)(3) and 11 CFR §§104.10(b)(1) and 106.6(c)

**Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee.**

DEMOCRATIC STATE CENTRAL COMMITTEE OF CA - FEDERAL

Page 3

Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or my local number (202) 694-1152.

Sincerely,



Kristen Davis  
Campaign Finance Analyst  
Reports Analysis Division

